

# FINAL BILL REPORT

## E2SHB 1359

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Synopsis as Enacted

**Brief Description:** Addressing funding for affordable housing and homeless housing programs.

**Sponsors:** By House Committee on Appropriations (originally sponsored by Representatives Miloscia, Chase, Hasegawa, Pettigrew, Springer, Ormsby, Roberts, Darneille, Goodman and Santos).

**House Committee on Housing**

**House Committee on Appropriations**

**Senate Committee on Consumer Protection & Housing**

**Senate Committee on Ways & Means**

### **Background:**

#### Existing Low Income Housing Surcharge.

County auditors are required to record deeds and other instruments that are filed and recorded. A \$10 surcharge is charged for recording certain documents to support low-income housing projects.

The county may keep up to 5 percent of the \$10 surcharge for the collection, administration, and local distribution of the funds. Of the remaining funds, 40 percent is transmitted into the Housing Trust Account, an appropriated account, administered by the Department of Community, Trade and Economic Development (DCTED) to be used for the support, operation and maintenance of extremely low-income housing projects. The remainder of the revenue generated is retained by the counties for low-income housing programs and projects which serve households making at or below 50 percent of the area median income. However, new housing may not be built with these funds if the county vacancy rate for low-income housing is above 10 percent.

#### Homeless Housing and Assistance Act.

The Legislature enacted the Homeless Housing and Assistance Act in 2005, the goal of which is to reduce homelessness by 50 percent statewide and in each county by July 1, 2015. This goal is to be achieved through the creation of plans to address the causes of homelessness and the implementation of solutions to homelessness through state and county homeless housing programs.

#### Homeless Housing and Assistance Program Funding.

The Homeless Housing and Assistance Program is funded by a \$10 surcharge for certain documents recorded by the county auditor. Of that \$10 surcharge:

- the auditor retains 2 percent;
- sixty percent of the remaining funds remain within the participating county of origin; any city which assumes responsibility for reducing homelessness within its boundaries receives a percentage of the surcharge equal to the percentage of the city's local portion of the real estate excise tax; and
- the remaining monies are remitted to the Department of Community, Trade and Economic Development (DCTED) and deposited into the Homeless Housing Account, a non appropriated account, for program administration and to fund the Homeless Grant Program.

Approximately \$16 million in new funding for homelessness is produced each year through the homeless document recording fee.

**Summary:**

Affordable Housing for All Surcharge.

The surcharge to support low-income housing projects is named the Affordable Housing for All (AHFA) Surcharge. The portion of revenue due to the state will be remitted to the Affordable Housing for All Account, subject to appropriation. The DCTED must use these funds to provide housing and shelter for extremely low-income households. In the use of local funds, counties must prioritize housing activities which serve extremely low-income households. There is no low-income housing vacancy requirement to be met before funding new construction projects.

Homeless Housing and Assistance Act Program Funding Revisions.

*\$10 Surcharge.* The DCTED's share of revenue from the \$10 homeless housing surcharge will be deposited into the Home Security Fund and may be used for:

- program administration;
- to provide housing and shelter to homeless people and to financially support homeless shelters and other homeless housing programs; and
- to fund the Homeless Housing Grant Program.

*\$8 Surcharge.* An additional \$8 document recording fee surcharge is established of which 90 percent may be used for county homeless programs and 10 percent will be deposited into the Home Security Fund Account to be used for the DCTED program administration, housing and shelter assistance for homeless persons, and the Homeless Housing Grant Program.

**Votes on Final Passage:**

House	57	39	
Senate	32	16	(Senate amended)
House			(House refused to concur)
Senate	28	21	(Senate amended)
House	60	37	(House concurred)

**Effective:** July 22, 2007